

VZCZCXRO4865
PP RUEH DU RUEHMR RUEHRN
DE RUEHSB #0712/01 2201502
ZNY CCCCC ZZH
P 081502Z AUG 07
FM AMEMBASSY HARARE
TO RUEHC/SECSTATE WASHDC PRIORITY 1764
INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
RUEHUJA/AMEMBASSY ABUJA 1670
RUEHAR/AMEMBASSY ACCRA 1541
RUEHDS/AMEMBASSY ADDIS ABABA 1674
RUEHRL/AMEMBASSY BERLIN 0320
RUEHBY/AMEMBASSY CANBERRA 0940
RUEHDK/AMEMBASSY DAKAR 1303
RUEHKM/AMEMBASSY KAMPALA 1731
RUEHNR/AMEMBASSY NAIROBI 4148
RUEHFR/AMEMBASSY PARIS 1501
RUEHRO/AMEMBASSY ROME 2164
RUEHGV/USMISSION GENEVA 0795
RHEFDIA/DIA WASHDC//DHO-7//
RHEHAAA/NSC WASHDC
RUEHBS/USEU BRUSSELS
RHMFISS/JOINT STAFF WASHDC
RUCNDT/USMISSION USUN NEW YORK 1891
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK//DOOC/ECMO/CC/DAO/DOB/DOI//
RUEPGBA/CDR USEUCOM INTEL VAIHINGEN GE//ECJ23-CH/ECJ5M//

C O N F I D E N T I A L SECTION 01 OF 04 HARARE 000712

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AF/S FOR S. HILL
AF/RSA FOR M. HARPOLE
NSC FOR SENIOR AFRICA DIRECTOR B. PITTMAN
USAID FOR L.DOBBS AND E. LOKEN
ADDIS ABABA FOR USAU
ADDIS ABABA FOR ACSS

E.O. 12958: DECL: 08/08/2017
TAGS: [PHUM](#) [PREL](#) [ZI](#) [ASEC](#)
SUBJECT: NGO COMMUNITY TARGET OF GOZ HARASSMENT

REF: HARARE 00657 AND PREVIOUS

Classified By: Poloff Scott Higgins, reason: 1.4 d

SUMMARY

[¶1.](#) (C) The GOZ's recent push to strictly enforce price controls and immigration regulations has sent shock waves through the international NGO community. In recent weeks, government officials have inspected NGO warehouses, temporarily impounded relief supplies, scrutinized the use of foreign currency exchange facilities, and arrested and deported NGO staff. Many in civil society suspect the GOZ is intentionally targeting international NGOs to disrupt any activities, especially those related to democracy and governance or humanitarian assistance, in order to deny support to the opposition and its supporters heading into next year's elections. NGOs will survive this latest crisis; however, such disruptions are another example of the Mugabe regime's tried and true tactic of using intimidation and diversions to dictate the agenda to its opponents -- real and perceived. End Summary.

NGO Operating Environment Keeps Getting Tougher

[¶2.](#) (U) The Government of Zimbabwe's (GOZ) recent push to strictly enforce price controls, foreign currency exchange, and immigration regulations has sent shock waves through the

community of 40 registered international NGOs. In recent weeks, international NGO directors have scrambled to answer questions about relief supplies, to provide depositions about the use of foreign currency exchange facilities, and to get staff out of jail. Many in civil society suspect the government is intentionally targeting international NGOs to disrupt any activities, especially those related to democracy and governance or humanitarian assistance, in order to deny support to the opposition and its supporters heading into next year's elections.

¶3. (C) The latest trouble for NGOs began on June 26 with President Mugabe's announcement of price controls, which quickly led to panicked buying and widespread shortages throughout the country (reftel). Price control teams went after anyone suspected of hoarding commodities, including NGOs. In early July, for example, pricing commission inspectors demanded access to warehouses used by C-SAFE, a consortium of US-sponsored NGOs providing food aid. Inspectors told C-SAFE staff they had received reports that the NGO was allowing others to stash commodities in its warehouses. CARE warehouses were also inspected. Nothing was seized; however, government interest in NGO activities and relief supplies was a cause for concern for many NGO directors. Compounding their anxiety, the UN IRIN news service reported on August 3 "sporadic" incidents of government officials temporarily impounding relief supplies destined for drought-stricken areas in the country. (Note: We have not received confirmed reports of these incidents from our partners. End Note.)

¶4. (U) Humanitarian assistance has been a contentious issue

HARARE 00000712 002 OF 004

in Zimbabwe for a number of years. In recent elections, the ruling ZANU-PF party used access to food aid and other assistance to ensure voter support. For example, Zimbabwe Election Support Network (ZESN), an independent NGO that conducts election observation and democracy education, reported that during rural district council elections in October 2006 the ruling party used local chiefs to threaten villagers with denial of access to government-controlled grain supplies and other assistance for anyone that supported the opposition. With an estimated 4.1 million Zimbabweans in need of food aid in the coming months, ZESN contacts told us that preventing the politicization of humanitarian assistance is one of the key factors in ensuring free and fair elections. (Comment: The GOZ's manipulation of food aid is very subtle. It is not that government officials restrict or outright seize commodities. Rather, they use distribution schedules, which must have their prior approval, to make claims in the communities that it is the ruling party that is responsible for the delivery of food, or they coerce community organizers to include ruling party faithful on targeting lists. USAID and World Food Program are currently increasing predistribution monitoring and reporting to address some of these concerns. End Comment.)

FOREX Exchange Rate -- NGO's Achilles' Heal

¶5. (U) Price control enforcement has also brought added scrutiny to foreign currency exchange facilities used by many international NGOs. For the past several years, international NGOs (as well as some diplomatic missions, private businesses and government entities) have used Global Currencies Ltd, a London-based company, to exchange foreign currency. (Note: Global Currencies offers a rate of about 70 percent of the parallel market exchange rate. The parallel market rate currently is about Z\$200,000:US\$1. End Note.) According to one international NGO director with whom we spoke, representatives from Global Currencies provided him a letter from the Zimbabwe Central Bank sanctioning the arrangement when he agreed to use their facilities. (Note: We have not seen a copy of this letter. End Note.) In recent

weeks, however, Zimbabwe Republic Police (ZRP) officials working on price control teams have requested that at least 15 international NGOs provide depositions detailing their use of these facilities.

¶16. (SBU) Global Currencies has been engaging in commodities deals to source Zimbabwe dollars for use in foreign currency exchange transactions with international NGOs and other clients. What caught the ZRP's attention is that when examining records of these deals it appeared as if the commodities actually belonged to the entity exchanging the foreign currency (e.g., an international NGO), which was not the case. Despite the letter from the Central Bank, ZRP officials were dubious about the legality of the facilities and opened an investigation. ZRP investigators told NGO directors involved not to leave the country.

¶17. (C) At this point, Global Currencies considers the case closed. NGO directors, however, have not received any official notification from ZRP to this effect. They continue to use Global Currencies for lack of a viable alternative. The other "official" foreign currency exchange rate available

HARARE 00000712 003 OF 004

for such transactions is an untenable Z\$15,000:US\$1. Closing access to the Global Currencies facilities would have an enormous impact on the ability of many NGOs (including several of our primary implementation partners) to carry out their work.

Work Permits Hard to Come By

¶18. (U) Stepped up enforcement of immigration laws has also left many in the international NGO community feeling like targets. In April, a new immigration administration made up of former senior ZRP officers (rumored to actually be from the Central Intelligence Organization (CIO)) was installed, and tasked with enforcing immigration regulations to the letter of the law. Since that time, the number of denials of Temporary Employment Permits (TEPs) for international NGOs and religious organizations has increased compared to previous months, according to OCHA Head of Office Agnes Asekenye-Oonyu. Additionally, in recent weeks, eight foreign staff at international NGOs have been forced to leave the country and 10 others have been served notice to leave the country within 21 days for immigration violations.

¶19. (C) While international NGOs and religious organizations have endured long delays in the TEP process for several years, this sudden change in enforcement caught many off guard. Zimbabwe immigration law requires NGO staff and missionaries to apply for a TEP outside the country; however, the rules allow the director of immigration to grant exceptions on a case-by-case basis. Asekenye-Oonyu reported that the previous immigration administration often "turned a blind eye" to applicants who remained in country working on business visas until a TEP was issued or an extension was granted. This is no longer the case.

¶10. (U) On July 16, for example, police raided the offices of GOAL, an Irish humanitarian organization, and arrested two foreign staff, including the spouse of a British diplomat, for working without proper immigration status. One was made to leave the country the next day. The spouse of the British diplomat was released and remains in the country while authorities determine if she is allowed to work based on bilateral agreements. Then, on July 20, police arrested the director of GOAL, an Irish citizen, and held her for four days on charges that she aided and abetted GOAL staff in contravening immigration laws. Her case is still pending.

¶11. (C) Religious missionary groups, many of which provide humanitarian assistance such as medical care in rural areas, have also been affected by the new enforcement policy. We

received a report from the AMCIT director of one missionary group that CIO officers had visited all their locations throughout the country questioning missionaries about their foreign exchange transactions and checking passports and TEPs. No one was detained or deported, but CIO officers told one group that their activities would be closely watched.

NGOs: Targets or Just Playing Loose With the Rules?

¶12. (C) Despite having their staff questioned and warehouses

HARARE 00000712 004 OF 004

inspected by price control officials, country directors for World Vision and CARE told us they did not believe the GOZ was intentionally targeting NGOs. Both said that if you play by the government's rules you will not have problems. Both directors had chosen not to use Global Currencies because they said the deal appeared "too good to be true." Conversely, several directors from other NGOs, including Catholic Relief Services and Counseling Services Unit, said other organizations do not have the resources, financial or human, to so easily accept excessively restrictive conditions and rules arbitrarily enforced by the GOZ. Additionally, they pointed out that the smaller NGOs, especially those with democracy and governance activities, suffer far more government harassment than large organizations like World Vision and CARE.

Comment: Ruling Party Setting the Stage for Elections

¶13. (C) The Mugabe regime is following its tried and true tactic of using intimidation and diversions to dictate the agenda to its opponents -- real and perceived. This latest iteration started in March with government's methodical dismantling of the opposition's organizing structures. Then, in June, Mugabe used price controls to show businesses -- many controlled by ZANU-PF bigwigs -- that he was still in control of both the party and the country. Now, the GOZ appears to be intimidating international NGOs with an eye toward next year's elections. The NGOs will survive this latest crisis, but the harassment will distract from their ability to carry out democracy and governance programs and deliver humanitarian assistance at a time when they are needed most. End Comment.

DHANANI